
Introduced by Senator Hollingsworth

February 8, 2010

An act to amend Section 374 of the Public Utilities Code, relating to electrical restructuring.

LEGISLATIVE COUNSEL'S DIGEST

SB 987, as introduced, Hollingsworth. Electrical restructuring.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations.

This bill would repeal obsolete provisions of law, and would make other technical, nonsubstantive changes, relating to electrical restructuring.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 374 of the Public Utilities Code is
2 amended to read:
3 374. —(a) ~~In recognition of statutory authority and past~~
4 ~~investments existing as of December 20, 1995, and subject to the~~
5 ~~firewall specified in subdivision (c) of Section 367, the obligation~~
6 ~~to pay the uneconomic costs identified in Sections 367, 368, 375,~~
7 ~~and 376 shall not apply to the following:~~
8 ~~(1) One hundred ten megawatts of load served by irrigation~~
9 ~~districts, as hereafter allocated by this paragraph:~~
10 ~~(A) The 110 megawatts of load shall be allocated among the~~
11 ~~service territories of the three largest electrical corporations in the~~
12 ~~ratio of the number of irrigation districts in the service territory of~~

1 each utility to the total number of irrigation districts in the service
2 territories of all three utilities:

3 (B) The total amount of load allocated to each utility service
4 area shall be phased in over five years beginning January 1, 1997,
5 so that one-fifth of the allocation is allocated in each of the five
6 years. Any allocation that remains unused at the end of any year
7 shall be carried over to the succeeding year and added to the
8 allocation for that year.

9 (C) The load allocated to each utility service territory pursuant
10 to subparagraph (A) shall be further allocated among the respective
11 irrigation districts within that service territory by the California
12 Energy Resources Conservation and Development Commission.
13 An individual irrigation district requesting an allocation shall
14 submit to the commission by January 31, 1997, detailed plans that
15 show the load that it serves or will serve and for which it intends
16 to utilize the allocation within the timeframe requested. These
17 plans shall include specific information on the irrigation districts'
18 organization for electric distribution, contracts, financing and
19 engineering plans for capital facilities, as well as detailed
20 information about the loads to be served, and shall not be less than
21 eight megawatts or more than 40 megawatts, provided, however,
22 that any portion of the 110 megawatts that remains unallocated
23 may be reallocated to projects without regard to the 40 megawatts
24 limitation. In making an allocation among irrigation districts, the
25 Energy Resources Conservation and Development Commission
26 shall assess the viability of each submission and whether it can be
27 accomplished in the timeframe proposed. The Energy Resources
28 Conservation and Development Commission shall have the
29 discretion to allocate the load covered by this section in a manner
30 that best ensures its usage within the allocation period.

31 (D) At least 50 percent of each year's allocation to a district
32 shall be applied to that portion of load that is used to power pumps
33 for agricultural purposes.

34 (E) Any load pursuant to this subdivision shall be served by
35 distribution facilities owned by, or leased to, the district in question.

36 (F) Any load allocated pursuant to paragraph (1) shall be located
37 within the boundaries of the affected irrigation district, or within
38 the boundaries specified in an applicable service territory boundary
39 agreement between an electrical corporation and the affected
40 irrigation district; additionally, the provisions of subparagraph (C)

1 of paragraph (1) shall be applicable to any load within the Counties
2 of Stanislaus or San Joaquin, or both, served by any irrigation
3 district that is currently serving or will be serving retail customers.

4 (2) ~~Seventy-five megawatts of load served by the Merced~~
5 ~~Irrigation District hereafter prescribed in this paragraph:~~

6 (A) ~~The total allocation provided by this paragraph shall be~~
7 ~~phased in over five years beginning January 1, 1997, so that~~
8 ~~one-fifth of the allocation is received in each of the five years. Any~~
9 ~~allocation that remains unused at the end of any year shall be~~
10 ~~carried over to the succeeding year and added to the allocation for~~
11 ~~that year.~~

12 (B) ~~Any load to which the provision of this paragraph is~~
13 ~~applicable shall be served by distribution facilities owned by, or~~
14 ~~leased to, Merced Irrigation District.~~

15 (C) ~~A load to which the provisions of this paragraph are~~
16 ~~applicable shall be located within the boundaries of Merced~~
17 ~~Irrigation District as those boundaries existed on December 20,~~
18 ~~1995, together with the territory of Castle Air Force Base that was~~
19 ~~located outside of the district on that date.~~

20 (D) ~~The total allocation provided by this paragraph shall be~~
21 ~~phased in over five years beginning January 1, 1997, with the~~
22 ~~exception of load already being served by the district as of June~~
23 ~~1, 1996, which shall be deducted from the total allocation and shall~~
24 ~~not be subject to the costs provided in Sections 367, 368, 375, and~~
25 ~~376.~~

26 (3) ~~To loads served by irrigation districts, water districts, water~~
27 ~~storage districts, municipal utility districts, and other water agencies~~
28 ~~that, on December 20, 1995, were members of the Southern San~~
29 ~~Joaquin Valley Power Authority, or the Eastside Power Authority,~~
30 ~~provided, however, that this paragraph shall be applicable only to~~
31 ~~that portion of each district or agency's load that is used to power~~
32 ~~pumps that are owned by that district or agency as of December~~
33 ~~20, 1995, or replacements thereof, and is being used to pump water~~
34 ~~for district purposes. The rates applicable to these districts and~~
35 ~~agencies shall be adjusted as of January 1, 1997.~~

36 (4) ~~The provisions of this subdivision shall no longer be~~
37 ~~operative after March 31, 2002.~~

38 (5) ~~The provisions of paragraph (1) shall not be applicable to~~
39 ~~any irrigation district, water district, or water agency described in~~
40 ~~paragraph (2) or (3).~~

1 ~~(6) Transmission services provided to any irrigation district~~
2 ~~described in paragraph (1) or (2) shall be provided pursuant to~~
3 ~~otherwise applicable tariffs.~~

4 ~~(7) Nothing in this chapter shall be deemed to grant the~~
5 ~~commission any jurisdiction over irrigation districts not already~~
6 ~~granted to the commission by existing law.~~

7 ~~(b)~~

8 374. (a) To give the full effect to the legislative intent in
9 enacting Section 701.8, the costs provided in Sections 367, 368,
10 375, and 376 shall not apply to the load served by preference power
11 purchased from a federal power marketing agency, or its successor,
12 pursuant to Section 701.8 as it existed on January 1, 1996, ~~provided~~
13 ~~if~~ that the power is used solely for the customer's own systems
14 load and not for sale. The costs of this provision shall be borne by
15 all ratepayers in the affected service territory, notwithstanding the
16 firewall established in subdivision (e) of Section 367.

17 ~~(e)~~

18 (b) To give effect to an existing relationship, the obligation to
19 pay the uneconomic costs specified in Sections 367, 368, 375, and
20 376 shall not apply to that portion of the load of the University of
21 California campus situated in Yolo County that was being served
22 as of May 31, 1996, by preference power purchased from a federal
23 marketing agency, or its successor, ~~provided if~~ that the power is
24 used solely for the facility load of that campus and not, directly or
25 indirectly, for sale.